

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO
RICO,

as representative of

THE COMMONWEALTH OF PUERTO
RICO, *et al.*,¹

Debtors.

PROMESA Title III

No. 17-BK-3283

(LTS) (Jointly

Administered)

**INFORMATIVE MOTION OF THE SENATE OF PUERTO RICO
REGARDING THE COURT'S ORDER TO APPEAR FOR URGENT STATUS
CONFERENCE [ECF NO. 18643]**

COMES NOW the Hon. Jose Luis Dalmau Santiago, in his official capacity as President of the Puerto Rico Senate (hereinafter “the Senate President”), through the undersigned counsel, very respectfully **INFORMS** that:

¹ The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (the “Commonwealth”) (Bankruptcy Case No. 17-BK-3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17- BK-3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17-BK-3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17- BK-3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17- BK- 4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority (“PBA”) (Bankruptcy Case No. 19-BK-5523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

1. On Friday, October 22, 2021, this Court entered an order to appear on an Urgent Status Conference via telephone to be held on Monday, October 25, 2021, at 9:00 am.
2. The Court also ordered that specific parties appear to explain the proposed plan of adjustment status and any alternative measure considering the absence of the contemplated legislation. The Hon. José Luis Dalmau Santiago, Puerto Rico Senate President, was among the parties summoned to appear.
3. The purpose of this motion is to provide this Court with a status update of the Senate's consideration of House Bill 1003, including all available procedural alternatives.
4. Before providing the update, the Senate President understands the Court should be aware of some preliminary considerations.
5. The Senate of Puerto Rico comprises 27 members, each with an individual prerogative to vote for proposed legislation. Fourteen votes are needed to approve the legislation.
6. The current composition of the Puerto Rico Senate is the most politically diverse in its history, being constituted by five different political delegations and one independently elected senator. No political party holds an absolute voting majority in the Senate.

7. The Legislative Assembly of Puerto Rico has been considering House Bill 1003 since its introduction on September 27, 2021. Said Bill has been under formal Senate consideration since October 4, 2021.
8. Before the arrival of House Bill 1003 at the Senate, the Senate President, his staff, and the Chair of the Ways and Means Committee have been meeting, working, and corresponding with the FOMB, the Executive Branch, and the leadership of the House of Representative for the past seven months to discuss the process of adopting a plan of adjustment and the potential legislation needed for its implementation.
9. Specifically, to the FOMB, the Senate President sent out two letters on September 27, 2021, and another on September 30, 2021. See Exhibits 1 and 2.
10. The September 27, 2021 letter (Exhibit 1) expressed to the FOMB ten priority points that should be included or recognized in the debt adjustment plan.
11. Likewise, on September 30, 2021, another letter was sent to the FOMB requesting a response in writing of specific questions regarding foreseeable consequences of the approval of the plan of adjustment and reiterating its request for a response to the ten priority points included in the September 27, 2021 letter.
12. On October 1, 2021, the FOMB sent out a boilerplate response (see Exhibit 3) that does not address any of the Senate President's previously

expressed concerns and requests for responses. The FOMB limited itself to stating that the Senate had all necessary information needed to pass legislation, ignoring the Senate President's letters and affirming that it would not provide further comments until after the approval of House Bill 1003.

13. Faced with the absence of the FOMB comments, the Senate proceeded to consider and approve, with a majority of 19 affirmative votes, House Bill 1003 with several amendments, including the ten priority points detailed in the September 27, 2021, letter (See Exhibit 4). Other relevant amendments were introduced and approved to appease concerns with the severability and enactment clauses.

14. After a public statement by the FOMB and a subsequent meeting with the entity, the House of Representatives proceeded not to consent with the Senate-approved version of HB 1003, thus, invoking a Conference Committee to attempt to harmonize differences within the legislation.

15. On October 19, 2021, the House of Representatives approved the Conference Committee report on HB 1003 with further amendments.

16. After making the corresponding consultations with all the political delegations of the Senate, clearly, the Conference Committee Report on HB 1003 does not have the 14 votes necessary to be approved in that Chamber, contrary to the October 6, 2021 version that did count with the necessary votes to be passed.

17. Considering the above circumstance, the Senate President proceeds to inform this Court of all possible procedural alternatives with regards to HB 1003:

- a. The House of Representatives can withdraw the Conference Committee Report on HB 1003 and instead concur with the version approved by the Senate on October 6, 2021.
- b. The House of Representatives can withdraw the Conference Committee Report on HB 1003 and re-open Conference Committee proceedings in which a version of HB 1003 that has enough votes to be passed in both houses can be drafted.
- c. Present the current Conference Committee's report to a vote in the Senate, knowing that as of today, the Bill does not have the votes needed to be approved.
- d. Hold any voting on the Conference Committee's Report and continue the dialog for the possibility of acquiring the necessary votes for the Bill to be passed.
- e. Renew conversations between the FOMB and the Government of Puerto Rico to see if an agreement to enact legislation can be reached.

WHEREFORE it is respectfully requested that this Honorable Court take notice of the above.

CERTIFICATE OF SERVICE

It is hereby certified that, on this same date, this document was electronically filed with the Clerk of the Court using the CM/ECF system, which will send notifications of such filing to all CM/ECF participants in this case.

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